



PUBLIC NOTICE

Federal Communications Commission
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DA 05-302
Released: February 2, 2005

**DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL
OF SUSQUEHANNA ADELPHIA BUSINESS SOLUTIONS FROM SUSQUEHANNA
FIBER SYSTEMS, INC. TO TELCOVE HOLDINGS OF PENNSYLVANIA, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-43

Comments Due: February 16, 2005

Reply Comments Due: February 23, 2005

On January 28, 2005, TelCove of Pennsylvania, Inc. ("TelCove-PA"), Susquehanna Adelpia Business Solutions ("Susquehanna ABS" or "Partnership"), SusCom Business Solutions of PA Inc., d/b/a SusCom Business Solutions ("SusCom"), Susquehanna Fiber Systems, Inc. ("Susquehanna"), and TelCove Holdings of Pennsylvania, Inc. ("TelCove Holdings") (collectively, "Applicants") filed an application, pursuant to section 63.03 and 63.04 of the Commission's rules,¹ requesting approval to transfer control of Susquehanna's fifty percent (50%) interest in the Partnership to TelCove Holdings.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission's rules³ because: (1) the proposed transaction would result in TelCove Holdings having a market share of the interstate, interexchange market of less than ten percent (10%); (2) TelCove Holdings would provide competitive telephone exchange services or exchange access service (if at all) exclusively in areas served by a dominant local exchange carrier that is not a party to the proposed transaction and; (3) neither Applicant is dominant with respect to any service.

¹ 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² Upon completion of the buy-out by TelCove Holdings, the name of the Partnership will be changed to TelCove of York.

³ 47 C.F.R. § 63.03(b)(2)(i).

Susquehanna ABS is a telecommunications company that provides local telephone service, local toll telephone service and long distance service to businesses in York, Pennsylvania.⁴ Susquehanna ABS is a Pennsylvania general partnership with Susquehanna and TelCove-PA each owning fifty percent (50%) interest in the Partnership. Susquehanna is a wholly owned subsidiary of Susquehanna Media Company ("Susquehanna Media"). Applicants state that 100% of the voting common stock of Susquehanna Media is owned by Susquehanna Pfaltzgraff Company.

TelCove-PA and TelCove Holdings are corporations organized under the laws of the State of Delaware. TelCove Holdings is a wholly-owned subsidiary of TelCove-PA, which is in turn, a wholly-owned subsidiary of TelCove Operations Inc., which is in turn, a wholly-owned subsidiary of TelCove Inc. ("TelCove"). TelCove is 20.37% owned by Bay Harbour Partners, Ltd., a Cayman Islands investment firm, 17.39% owned by Bay Harbour 90-1, Ltd., a U.S. investment firm, and 12.56% owned by Goldman Sachs, a U.S. corporation. Both Bay Harbour Partners, Ltd. and Bay Harbour 90-1, Ltd. are managed and controlled by Bay Harbour Management, L.C., a U.S. entity. Bay Harbour Management, L.C. is owned and controlled by Tower, Inc., a U.S. corporation (75%), which, in turn, is owned and controlled by two U.S. citizens, Douglas Teitlebaum (50%) and Stephen Van Dyke (50%). Bay Harbour Management L.C. holds four of seven seats in the TelCove board of directors and thus, Applicants state, could be deemed to exercise control over TelCove.⁵ TelCove operates in approximately 50 medium-to-large markets throughout the eastern United States, the Gulf Coast area, and in several midwestern states. The TelCove family of companies offers competitive telecommunications services, including local and long-distance voice, dedicated data, ATM, frame relay, and Internet services, and is focused on service communications-intensive end users.

On or about December 6, 2004, the Applicants agreed that Susquehanna will sell its fifty percent (50%) interest in the Partnership to TelCove Holdings.⁶ As a result, TelCove-PA and TelCove Holdings will each own a fifty percent (50%) interest in the Partnership and the Partnership will be renamed TelCove of York.

The Applicants assert that the proposed transfer of control is in the public interest. The Applicants state that TelCove Holdings stands ready to provide customers of the Partnership with

⁴ The Applicants indicate Susquehanna ABS was formerly called Susquehanna Hyperion Telecommunications.

⁵ According to the Applicants, Bay Harbour Management L.C. holds the largest share of the secured notes of TelCove.

⁶ The Commission previously granted a section 214 transfer of control application allowing the Applicants to dissolve Susquehanna ABS and distribute the assets and customers between TelCove-PA and SusCom. However, that transaction was never consummated. *See Domestic Section 214 Application Filed for Transfer of Control of Certain Assets of Susquehanna Adelpia Business Solutions to Suscom Business Solutions of PA, Inc. and Telcove of Pennsylvania, Inc.*, Public Notice, DA 04-3129 (rel. Sept. 28, 2004); *Notice of Streamlined Domestic 214 Applications Granted*, WC Docket Nos. 04-365 & 04-383, Public Notice, DA 04-3480 (rel. Oct. 29, 2004).

a wide variety of affordable products and services of comparable or superior quality to the services currently provided by the Partnership. As TelCove Holdings will continue to offer the same or superior services to customers currently served by the Partnership, the Partnerships customers will not be adversely affected by the transfer of Susquehanna's interest in the Partnership to TelCove Holdings. In fact, the Partnership's customers will affirmatively benefit from the wide variety of competitively priced products and services offered by TelCove Holdings which include wireless, high speed internet access, voice messaging and wireless e-mail.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before February 16, 2005** and **reply comments on or before February 23, 2005.**⁷ Unless otherwise notified by the Commission, this application will be deemed granted on the 31st day after the date of this notice.⁸ Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands

⁷ See 47 C.F.R. § 63.03(a).

⁸ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: www.bcpiweb.com; phone: 202-488-5300 fax: 202-488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (3) Denise Coca, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C260, Washington, D.C. 20554; e-mail: denise.coca@fcc.gov;
- (4) Terri B. Natoli, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C234, Washington, D.C. 20554; e-mail: terri.natoli@fcc.gov;
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C740, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone: 202-488-5300, fax: 202-488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Tracey Wilson-Parker, at (202) 418-1394, or Denise Coca at (202) 418-0574.

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